

October 31, 2007

Matthew Margolis

Waltham, MA 02451

Office of General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

MUR # 5950

Dear Counsel:

We write to file a complaint against the Hillary Clinton for President Committee for violation of Federal Election Law under the Commission's jurisdiction.

It is clear from recent news accounts that the campaign and its donors and fundraisers have violated 2 USC 441f, the provision of law that prohibits campaign contributions in the name of another, and that some donors may have violated 2 USC 441e which prohibits donations by foreign nationals without permanent resident status.

A recent *Los Angeles Times* article, available at <http://www.latimes.com/news/politics/la-na-donors19oct19.0.4231217.story?coll=la-home-center>, and attached here, indicates that several reported donors to the Clinton campaign are non-existent persons, illegal immigrants, or were reimbursed by others for contributions. The article documents several instances in which reported donors could not be found, even by those living at the same address reported in the campaign's FEC filing:

The Times examined the cases of more than 150 donors who provided checks to Clinton after fundraising events geared to the Chinese community. One-third of those donors could not be found using property, telephone or business records. Most have not registered to vote, according to public records. [...]

Of 74 residents of New York's Chinatown, Flushing, the Bronx or Brooklyn that The Times called or visited, only 24 could be reached for comment.

[...]

The tenement at 44 Henry St. was listed in Clinton's campaign reports as the home of Shu Fang Li, who reportedly gave \$1,000. [...]

A tenant living in the apartment listed as Li's address said through a

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translator that she had not heard of him, although she had lived there for the last 10 years.

Census figures for 2000 show the median family income for the area was less than \$21,000. About 45% of the population was living below the poverty line, more than double the city average.

In the busy heart of East Broadway, beneath the Manhattan Bridge, is a building that is listed as the home of Sang Cheung Lee, also reported to have given \$1,000. Trash was piled in the dimly lighted entrance hall. Neighbors said they knew of no one with Lee's name there; they knocked on one another's doors in a futile effort to find him.

Salespeople at a store on Canal Street were similarly baffled when asked about Shih Kan Chang, listed as working there and having given \$1,000. The store sells purses, jewelry and novelty Buddha statues. Employees said they had not heard of Chang.

In yet another case, a "donor" denied ever giving money to the campaign:

Another listed donor, Yi Min Liu, said he did not make the \$1,000 contribution in April that was reported in his name. He said he attended a banquet for Clinton but did not give her money.

The article also demonstrates that the Clinton campaign received large campaign contributions from illegal immigrants barred from contributing under Federal law:

One New York man who said he enthusiastically donated \$2,500 to Clinton doesn't appear to be eligible to do so under federal election law. He said he came to the United States from China about two years ago and didn't have a green card.

These incidents are far from isolated occurrences at the fringes of the Clinton campaign. Campaigns routinely stay in close contact with their most prolific fundraisers and encourage them to raise even more money from associates. Community organizers even organized a fundraising event for Hillary Clinton that netted \$380,000, implying substantial knowledge of and involvement in procuring these donations on the campaign's part.

As Clinton campaign bundlers, these community leaders also placed improper pressure on those who could least afford to donate:

Clinton has enlisted the aid of Chinese neighborhood associations, especially those representing recent immigrants from Fujian province. The organizations, at least one of which is a descendant of Chinatown criminal enterprises that engaged in gambling and human trafficking,

exert enormous influence over immigrants. The associations help them with everything from protection against crime to obtaining green cards.

Many of Clinton's Chinatown donors said they had contributed because leaders in neighborhood associations told them to. In some cases, donors said they felt pressure to give.

[...]

"Everybody was making a donation, so I did too," [He Duan Zheng] said. "Otherwise I would lose face."

The New York Post conducted a further examination of the Hillary Clinton for President Committee's campaign finance data. Their story is available here: http://www.nypost.com/seven/10202007/news/nationalnews/hilla_cash eyed_as_chinese_jau.htm. The New York Post story indicates that several unlikely donors, including cooks and dishwashers, made \$1,000 contributions to the campaign.

A search of Chinatown donors yesterday by The Post found several bogus addresses and some contributions that raised eyebrows.

Shin K. Cheng is listed twice in federal records for giving \$1,000 donations to Clinton's campaign on April 17.

But the address recorded on campaign reports is a clinic for sexually transmitted diseases, hemorrhoids and skin disease.

No one at the address knew of a Shin K. Cheng.

Another donation came from a Shih Kam Chang on Canal Street. But the address listed is a shop that sells knock-off watches and other pirated goods. The sales clerk there did not know the donor.

The investigation by the New York Post also found evidence of illegal "straw donations."

Hsiao Yen Wang, a cook in Chinatown, is listed as giving Clinton \$1,000 on April 13. Contacted yesterday, she told The Post she had written a check.

But it was on behalf of a man named David Guo, president of the Fujian American Cuisine Council, and Wang told The Post that Guo had repaid her for the \$1,000 contribution.

In addition to the aforementioned evidence, it is worth noting that the Hillary Clinton for President Committee has clearly decided to take no action to remedy these violations.

According to the *New York Post*, "The Clinton campaign dismissed the L.A. Times story as derogatory to Chinese-Americans."

Accordingly, the Clinton campaign's disinterest in and failure to remedy these violations along with the potential scope of the abuse indicates that that the Commission should investigate and take action against those responsible for violation of the law.

The information in this complaint is based upon information and belief, and not on our personal knowledge.

Respectfully,

Matthew Margolis & Mark Noonan

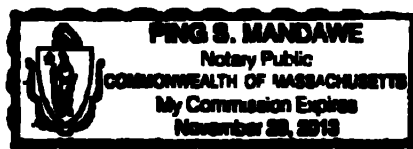
STATE OF MASSACHUSETTS


COUNTY OF MIDDLESEX

Sworn to (or affirmed) and subscribed before me this 31st day of October, 2007, by
Matthew Margolis.



Signature of Person Making Statement





Signature of Notary Public

Ping S. Mandawe

Name of Notary Typed, Printed, or Stamped

Personally Known ☒ OR Produced Identification _____

Type of Identification Produced _____

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An unlikely treasure-trove of donors for Clinton

The candidate's unparalleled fundraising success relies largely on the least-affluent residents of New York's Chinatown, some of whom can't be tracked down.

By Peter Nicholas and Tom Hamburger
Los Angeles Times Staff Writers

October 19, 2007

NEW YORK — Something remarkable happened at 44 Henry St., a grimy Chinatown tenement with peeling walls. It also happened nearby at a dimly lighted apartment building with trash bins clustered by the front door.

And again not too far away, at 88 E. Broadway beneath the Manhattan bridge, where vendors chatter in Mandarin and Fujianese as they hawk rubber sandals and bargain-basement clothes.

All three locations, along with scores of others scattered throughout some of the poorest Chinese neighborhoods in Queens, Brooklyn and the Bronx, have been swept by an extraordinary impulse to shower money on one particular presidential candidate — Democratic front-runner Hillary Rodham Clinton.

Dishwashers, waiters and others whose jobs and dilapidated home addresses seem to make them unpromising targets for political fundraisers are pouring \$1,000 and \$2,000 contributions into Clinton's campaign treasury. In April, a single fundraiser in an area long known for its gritty urban poverty yielded a whopping \$380,000. When Sen. John F. Kerry (D-Mass.) ran for president in 2004, he received \$24,000 from Chinatown.

At this point in the presidential campaign cycle, Clinton has raised more money than any candidate in history. Those dishwashers, waiters and street stall hawkers are part of the reason. And Clinton's success in gathering money from Chinatown's least-affluent residents stems from a two-pronged strategy: mutually beneficial alliances with powerful groups, and appeals to the hopes and dreams of people now consigned to the margins.

Clinton has enlisted the aid of Chinese neighborhood associations, especially those representing recent immigrants from Fujian province. The organizations, at least one of which is a descendant of Chinatown criminal enterprises that engaged in gambling and human trafficking, exert enormous influence over immigrants. The associations help them with everything from protection against crime to obtaining green cards.

Many of Clinton's Chinatown donors said they had contributed because leaders in neighborhood associations told them to. In some cases, donors said they felt pressure to give.

The other piece of the strategy involves holding out hope that, if Clinton becomes president, she will move quickly to reunite families and help illegal residents move toward citizenship. As New York's junior senator, Clinton has expressed support for immigrants and greater family reunification. She is also benefiting from Chinese donors' naive notions of what she could do in the White House.

Campaign concerns

As with other campaigns looking for dollars in unpromising places, the Clinton operation also has accepted what it later conceded were improper donations. At least one reported donor denies making a contribution. Another admitted to lacking the legal-resident status required for giving campaign money.

Clinton aides said they were concerned about some of the Chinatown contributions.

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"We have hundreds of thousands of donors. We are proud to have support from across New York and the country from many different communities," campaign spokesman Howard Wolfson said. "In this instance, our own compliance process flagged a number of questionable donations and took the appropriate steps to be sure they were legally given. In cases where we couldn't confirm that, the money was returned."

The Times examined the cases of more than 150 donors who provided checks to Clinton after fundraising events geared to the Chinese community. One-third of those donors could not be found using property, telephone or business records. Most have not registered to vote, according to public records.

And several dozen were described in financial reports as holding jobs -- including dishwasher, server or chef -- that would normally make it difficult to donate amounts ranging from \$500 to the legal maximum of \$2,300 per election.

Of 74 residents of New York's Chinatown, Flushing, the Bronx or Brooklyn that The Times called or visited, only 24 could be reached for comment.

Many said they gave to Clinton because they were instructed to do so by local association leaders. Some said they wanted help on immigration concerns. And several spoke of the pride they felt by being associated with a powerful figure such as Clinton.

New take, old game

Beyond what it reveals about present-day campaign fundraising, Chinatown's newfound role in the 2008 election cycle marks another chapter in the centuries-old American saga of marginalized ethnic groups and newly arrived immigrants turning to politics to improve their lot.

In earlier times, New York politicians from William "Boss" Tweed to Fiorello LaGuardia gained power with the support of immigrants. So did politicians in Philadelphia, Cleveland, Chicago and other big cities.

Like many who traveled this path, most of the Chinese reported as contributing to Clinton's campaign have never voted. Many speak little or no English. Some seem to lead such ephemeral lives that neighbors say they've never heard of them.

"This is a new game," said Peter Kwong, a professor at Hunter College in New York who studies Chinatown communities across the country. Historically, Kwong said, "voting in Chinatown is so weak" that politicians did not go out of their way to court residents.

"Today it is all about money," he said.

The effort is especially pronounced among groups in the Fujianese community. More than a decade ago, Fujianese cultural associations ran gambling operations and, more ominously, at least one was home to a gang that trafficked in illegal Fujian native immigrants.

The human-smuggling problem came to a head in 1993, when a cargo ship, the Golden Venture, ran aground off New York City. As shocked police and immigration officials looked on, hundreds of Fujian natives who had spent weeks below deck struggled to make it to shore. Several died in the attempt.

A crackdown by the FBI's organized-crime task force led to the indictment of more than 20 Fujian native traffickers. Today, the problem has substantially dissipated, says Konrad Motyka of the FBI's New York field office, who participated in the investigation of the Golden Venture.

Although Motyka is wary of the havoc wreaked in the past by Fujianese organized crime, he said: "I welcome signs that the community is participating in politics."

High hopes

At his tiny restaurant in the south Bronx, which has one table and a takeout counter, Chang Jian Lin displays a prized memento: a photo of himself and Clinton. The picture was taken at a fundraising banquet in Chinatown this spring.

Lin and his wife, who also works in the restaurant, said through an interpreter that they believe Clinton, if elected president, will reunite their family. The Lins' two teenage children remain in Fujian, a mountainous coastal province in southeastern China opposite Taiwan.

"If she gets to be the president, we want our children to come home," Chang Jian Lin said.

Campaign officials point out that Clinton has sponsored legislation aimed at family reunification; the proposals failed. And immigration measures being discussed in Congress would assign a lower priority to family reunification, which tends to bring in poor people, and give preference to immigrants with more-lucrative job skills.

Moreover, the Lins appeared to have an exaggerated impression of a president's ability to change such things as immigration laws single-handedly.

Kwong thinks Clinton may be "exploiting the vulnerabilities of recent immigrants."

Nonetheless, Lin is planning to attend another Clinton fundraiser, a birthday bash next week. He said his support rested on more than his hope for reuniting his family. "Besides the immigration issue with my kids, the overall standard of living will improve for the Chinese people" living in the U.S., he said.

He has never before supported a U.S. politician and, not yet a citizen, he is barred from voting. But when Fujianese community leaders asked him to donate to Clinton, he said, he eagerly contributed \$1,000. Immigrants who have permanent resident status can legally make campaign contributions.

Coming up with the money was hard, Lin acknowledged, adding: "The restaurant is really small."

Missing persons

The tenement at 44 Henry St. was listed in Clinton's campaign reports as the home of Shu Fang Li, who reportedly gave \$1,000.

In a recent visit, a man, apparently drunk, was asleep near the entrance to the neighboring beauty parlor, the Nice Hair Salon.

A tenant living in the apartment listed as Li's address said through a translator that she had not heard of him, although she had lived there for the last 10 years.

A man named Liang Zheng was listed as having contributed \$1,000. The address given was a large apartment building on East 194th Street in the Bronx, but no one by that name could be located there.

Census figures for 2000 show the median family income for the area was less than \$21,000. About 45% of the population was living below the poverty line, more than double the city average.

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In the busy heart of East Broadway, beneath the Manhattan Bridge, is a building that is listed as the home of Sang Cheung Lee, also reported to have given \$1,000. Trash was piled in the dimly lighted entrance hall. Neighbors said they knew of no one with Lee's name there; they knocked on one another's doors in a futile effort to find him.

Salespeople at a store on Canal Street were similarly baffled when asked about Shih Kan Chang, listed as working there and having given \$1,000. The store sells purses, jewelry and novelty Buddha statues. Employees said they had not heard of Chang.

Another listed donor, Yi Min Liu, said he did not make the \$1,000 contribution in April that was reported in his name. He said he attended a banquet for Clinton but did not give her money.

Clinton "has done a lot for the Chinese community," he said.

One New York man who said he enthusiastically donated \$2,500 to Clinton doesn't appear to be eligible to do so under federal election law. He said he came to the United States from China about two years ago and didn't have a green card.

Out of the periphery

A key figure helping to secure Asian support for Clinton is a woman named Chung Seto, who came to this country as a child from Canton province and has supported Bill and Hillary Clinton since the 1980s. She called Fujian natives' support for Hillary Clinton the beginning of civic engagement for an immigrant group that had long been on the periphery.

She said she stationed translators at the entrance of one event to try to screen out improper contributions.

Qun Wu, a 37-year-old waiter at a Chinese restaurant in Flushing, saw a reference to a Clinton fundraiser in a Chinese-language newspaper. He took a day off from work to go. Though he only makes \$500 a week, he considers his \$1,000 donation to be money well-spent. He got his picture taken with Clinton, hung it prominently in his house, then had color reprints made and sent to family in China.

"Every day I go home and see it," he said. "I see my picture with Hillary, and I feel encouraged. It's a great honor."

Many, on the other hand, said they gave for reasons having more to do with the Chinese community than with Clinton. He Duan Zheng, who gave \$1,000, said of the Fujianese community: "They informed us to go, so I went."

"Everybody was making a donation, so I did too," he said. "Otherwise I would lose face."

HILL'S CASH EYED AS CHINESE-LAUNDERED

By CHARLES HURT in Washington and ELAINE CHAN in New York

October 20, 2007 - Hillary Clinton's campaign has been raising huge piles of money in Chinatown, but some of it has come from donors who can't be located or who were improperly repaid for their contributions, according to The Post and other reports.

A search of Chinatown donors yesterday by The Post found several bogus addresses and some contributions that raised eyebrows.

Shin K. Cheng is listed twice in federal records for giving \$1,000 donations to Clinton's campaign on April 17.

But the address recorded on campaign reports is a clinic for sexually transmitted diseases, hemorrhoids and skin diseases.

No one at the address knew of a Shin K. Cheng.

Another donation came from a Shih Kan Cheng on Canal Street. But the address listed is a shop that sells knock-off watches and other pirated goods. The sales clerk there did not know the donor.

Helao Yen Wang, a cook in Chinatown, is listed as giving Clinton \$1,000 on April 13. Contacted yesterday, she told The Post she had written a check.

But it was on behalf of a man named David Guo, president of the Fujian American Cuisine Council, and Wang told The Post that Guo had repaid her for the \$1,000 contribution.

Such "straw donations" are strictly prohibited by federal law.

In addition, yesterday's search by The Post also turned up several \$1,000 donations from Chinatown that were made by cooks, dishwashers, a cashier and a college student.

The findings closely match a report yesterday by the Los Angeles Times that found a huge number of Chinatown donations from donors listing bogus addresses or in amounts unlikely, given the donor's occupation.

The Times examined 150 donors, one-third of whose addresses could not be found. As with the Post search, most of the donors are not registered to vote.

In April, for instance, the Clinton campaign raised \$380,000 from a single fund-raiser in Chinatown, the Times said. By comparison, Sen. John Kerry raised \$24,000 in Chinatown during his entire campaign.

The Clinton campaign dismissed the L.A. Times story as derogatory to Chinese-Americans.

"We do not ethnically profile donors," growled Howard Wolfson. "Asian-Americans in Chinatown and Flushing have the same right to contribute as every other American."

Campaign officials said they're always reviewing contributions to ensure compliance with federal rules, and, indeed, had found problems with some donations, though not necessarily the ones raised by the Times and The Post.

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